

1850 Wilson Avenue
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May 1st 2008

Re: General Price Increases

Dear Valued Customers,

Primary inputs such as copper, magnetic steel, aluminum, petrochemical products such as plastics and freight surcharges continue their upward spiral to apply negative cost pressures on all of our products. The cost of copper alone has continued to increase at an unexpected rate of another 38% since December 2007 and some of the copper suppliers are now releasing limited amounts of copper into the market. In addition, other main material costs are increasing, such as PVC and PC, and DOP Oil which has hit an all time high of \$108.00 a barrel.

And, despite our best internal cost containment measures, we have seen product costs pushed to historic levels and we are unable to mitigate the current costs any longer.

Thus, it is necessary to announce price increases to all our customers effective with the orders received and shipments made after June 1st, 2008. These cost increases vary by product category and we will have to update your pricing at the time of order until we can update all of your quotations and our price lists. More details on the implementation and new price book updates will follow over the next few weeks. We anticipate a target price increase of 8 – 10%. Please follow up with your Sales Rep or Sales Agent who is in charge of your account for updated information. At this point we will do the following:

- All previous quotations will be under review and subject to change without notice based on the LME cash price the day of product manufacturing, not the date of Quotation or Purchase Order.
- All future quotations will be subject to change without notice based on the LME cash price the day of product manufacturing, not the date of Quotation or Purchase Order.
- H.B. Etlin, Etlin-Daniels and Electrical Devices Inc. reserve the right to accept your PO until prices are reconfirmed.

Thank you for your understanding, your co-operation and your continued support. We remain committed to providing a leadership role in the markets we represent and look forward to supplying the industry with cost effective quality products in the future. We only hope that this cycle comes to an early end soon and we get back to more normal levels.

Regards,

Management,
sales@etlin.com
416-741-7336
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Toll Free in USA: 1-888-762-5384

Attached are graphs showing the raw material cost increases:

Copper Prices 5 years – up 38% year to year



Oil Prices May 07 – April 08

